

RESOLUTION OF THE CALIFORNIA HOUSING  
FINANCE AGENCY CONCERNING FINANCING  
OF HOME OWNERSHIP AND HOME IMPROVEMENT  
LOANS IN NEIGHBORHOOD PRESERVATION  
AREAS PROGRAM

May 16, 1978

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for financial assistance for the purchase, rehabilitation or making of general repairs and improvements to residential structures of not more than four dwelling units (the "Residential Structures") located in areas of substantial deterioration of Residential Structures, and in areas in which there is a recent history of mortgage deficiency, but in which deterioration has not progressed so far that there exists a substantial number of Residential Structures which do not conform to rehabilitation standards;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of a program to purchase loans to finance Residential Structures or to finance the rehabilitation or general repairs or improvements to Residential Structures (the "Loans"), each such Loan being insured for at least the first fifty percent (50%) of the principal amount and accrued interest of the Loan by one or more of the following entities: the United States government or an agency or instrumentality thereof, the Agency, or private mortgage guaranty insurers, or guaranteed by the Veterans Administration;

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act") the Agency has the authority to issue bonds to provide sufficient funds to finance the purchase of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and other expenditures of the Agency incident to, and necessary or convenient to the issuance of the bonds;

WHEREAS, the Board of Directors of the Agency hereby approves the issuance of its Home Ownership and Home Improvement Revenue Bonds, 1978 Series C in the aggregate principal amount of \$50 million (the "Bonds"), the form of Supplemental Indenture relating to the Bonds between the Agency and the Treasurer of the State of California as trustee, and authorizes the circulation of a Preliminary Official Statement and an Official Statement; and

WHEREAS, the Housing Bond Credit Committee in accordance with the Act is required to approve the action authorized below and all of the action set forth below taken by the Agency is taken subject to the Housing Bond Credit Committee's approval thereof as required by the Act prior to the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. The Agency is of the opinion and hereby determines that the issuance of bonds in the aggregate principal amount of \$50 million is necessary to provide sufficient funds to finance the purchase of Loans pursuant to its Home Ownership and Home Improvement Loans in Neighborhood Preservation Areas Program.

Section 2. Pursuant to the Act, revenue bonds of the Agency, designated as the "California Housing Finance Agency Home Ownership and Home Improvement Revenue Bonds, 1978 Series C" in the aggregate principal amount of Fifty million dollars (\$ 50 million) (the "Bonds") are authorized to be issued. The Bonds are to have the maturities specified in the Second Supplemental Indenture mentioned hereinafter as finally executed and are to bear interest at the rates specified in the bid accepted by the Treasurer of the State of California (the "State Treasurer") pursuant to the terms of the Notice of Sale mentioned hereinafter.

Section 3. The Chairperson of the Board of Directors of the Agency (the "Chairperson") is hereby requested and authorized on behalf of the Board of Directors of the Agency to submit to the Housing Bond Credit Committee pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act, a statement of the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance.

Section 4. The proposed form of Second Supplemental Indenture relating to the Bonds, as presented to this meeting, is hereby approved. The President of the Agency (the "President") is hereby expressly authorized and directed, for and on behalf and in the name of the Agency to determine the maturities, the Sinking Fund Installments, the Bond Reserve Account Requirement, the Loan Reserve Account Requirement, the amount representing the portion of a Principal Installment anticipated to be paid from regularly scheduled payments of the principal of Loans, the Permitted Amount, the Loan Prepayment Principal Requirements and the Specified Rate of Interest to be prescribed by such Second Supplemental Indenture. The President and the Secretary of the Agency (the "Secretary") are hereby authorized and directed, for

and on behalf and in the name of the Agency to execute, acknowledge and to deliver to the Trustee thereunder a Second Supplemental Indenture in substantially said form, with such insertions and changes therein as the officers executing the same, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, the maturity dates, interest payment dates, denominations, forms, registration privileges, terms and place or places of payment, terms of redemption, security and other terms of the Bonds shall be as provided in said Second Supplemental Indenture as finally executed and in the Indenture dated as of January 1, 1978, between the Agency and said Trustee as heretofore amended and supplemented. Payment to a bond reserve account in the California Housing Finance Fund established pursuant to said Indenture shall be made from the proceeds of the Bonds in the amount and to the extent provided in said Indenture and in said Second Supplemental Indenture as finally executed.

Section 5. The proposed form of Notice of Sale publicly soliciting bids for the purchase of the Bonds and, providing the terms of the public sale thereof by competitive bidding, as presented to this meeting, is hereby approved. The President is hereby expressly authorized to determine the terms of sale of the Bonds and to determine the limitations to be set forth in the Notice of Sale in final form on the bids for the purchase of the Bonds. The State Treasurer is hereby authorized and requested to cause a Notice of Sale in substantially the form presented to this meeting, with such insertions and changes therein as the President, with the advice of counsel, may require or approve, to be published once in such newspapers or journals as he may select, on such date or dates as he may deem advisable. The State Treasurer hereby is requested to coordinate with the President of the Agency and set forth in said Notice of Sale, the date upon which bids for the Bonds shall be received. Such bids shall be received at the time and place, and subject to the terms and conditions, set forth in said Notice of Sale. The President is hereby authorized and directed, for and on behalf and in the name of the Agency, to deliver and cause to be publicly circulated said Notice of Sale.

Section 6. The State Treasurer is hereby authorized and requested, without further action of the Board of Directors of the Agency and unless instructed otherwise by the Board of Directors of the Agency prior to sale, to sell the Bonds at the time and place and pursuant to the terms and conditions set forth in the Notice of Sale. The State Treasurer is hereby further authorized and requested to cash and deposit the proceeds of the bid check to be received by the State Treasurer

under the terms of the Notice of Sale in a special trust account for the benefit of the Agency, and the amount of said check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to said bidder as provided in the Notice of Sale.

Section 7. The President is further authorized to hold an information meeting on the Bonds and to distribute other information and material relating to the Bonds.

Section 8. The President and the Secretary are hereby authorized and directed to execute, for and on behalf and in the name of the Agency and under its seal, the Bonds, in the aggregate principal amount of \$50 million in accordance with said Indenture and said Second Supplemental Indenture and in one or more of the forms set forth therein.

Section 9. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture and Second Supplemental Indenture for authentication by said Trustee. Said Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds when duly executed and authenticated to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Agency by the President, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency to execute and deliver to said Trustee. Such instructions should provide for the delivery of the Bonds to the purchaser or purchasers thereof, as determined and confirmed by the State Treasurer, upon payment of the purchase price thereof.

Section 10. The draft form the Preliminary Official Statement of the Agency relating to the Bonds as presented to this meeting is hereby approved. The President is hereby authorized to sign a Preliminary Official Statement and after the Agency's entering into a contract for the sale of the Bonds pursuant to the Notice of Sale, an Official Statement, both in substantially said form with such changes and insertions therein as he may approve after consulting with counsel, and the circulation of said Preliminary Official Statement and said Official Statement to prospective and actual purchasers of the Bonds is hereby approved.

Section 11. The State Treasurer and officers of the Agency are hereby authorized and directed, jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

SECTION 12. THE SALE OF THE BONDS SHALL CONTAIN THE PROVISION THAT 12 1/2% OF THE COMBINED PROCEEDS OF SERIES BONDS "A", "B" AND "C", SHALL BE MADE AVAILABLE TO FINANCE THE PURCHASE OF CORNS IN CONCENTRATED REHABILITATION AREAS.

500 Geo. H. C. Amend.


CERTIFICATE OF SECRETARY

I, Stuart Honse, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the California Housing Finance Agency duly called and held in Sacramento, California, on the 16th day of May, 1978, of which meeting all of said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: *JENECOCHA; RIVER; MADR; ROBINSON; SKINBY THORKE; DIRECTOR OF HCD*  
NOES: *by Foster; Annick (by phone) Frank*  
ABSTENTION: *none*  
ABSENT: *none*

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate  
and affixed the seal of the Board of Directors of the California  
Housing Finance Agency hereto this 16th day of May, 1978.



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Secretary of the Board of  
Directors of the California  
Housing Finance Agency

[SEAL]